

Welcome to



Annapolis Business Guide

We're pleased you've chosen Annapolis for your business. As the capital city of Maryland, Annapolis' unique blend of history and technology creates a thriving environment for business and entrepreneurs. The area's diverse industry base of maritime, cybersecurity, advanced technology, professional and business services, and tourism is a stable generator of job creation and business opportunities.

Situated as the eastern anchor of Anne Arundel County, Annapolis's proximity to Washington, DC and Baltimore, and transportation assets provides an ideal business location. While proximity to these metropolitan areas is a benefit to businesses and residents alike, Annapolis is just distant enough to maintain a small town atmosphere with a vibrant historic downtown, walkable streets and neighborhoods, and a collaborative business environment.

This Business Guide is designed to acquaint business owners with the City of Annapolis – from business licenses, local government permits, and City government information, to information on business support providers, financial resources and incentives, and community events and activities. A strong business community is vital to the health of our City – thank you for being a part of it!



Business *checklist*

This checklist serves as a general step-by-step for new business start-ups. Within this guide, you will find additional information on each topic, as well as other information that is important for businesses to know, such as business resources and community information.

- ◇ **Develop a Business Plan**
 - ◆ Research, research, research! Contact business support providers
- ◇ **Choose a Legal Business Structure**
 - ◆ (Sole Proprietor, LLC, S-Corp, etc)
- ◇ **Financing**
 - ◆ Secure start-up capital
- ◇ **Licensing**
 - ◆ Federal EIN
 - ◆ Maryland Business License
 - ◆ State Sales & Use Tax ID #
 - ◆ Anne Arundel County Health Department
 - ◆ Annapolis Liquor License
 - ◆ Other industry-specific licenses, as required
- ◇ **Find a business location**
- ◇ **City Permitting**
 - ◆ Building Permit
 - ◆ Plumbing/Electrical Permit
 - ◆ Certificate of Use Permit
 - ◆ Sign Permit
 - ◆ Restaurant with Entertainment approval
 - ◆ Sidewalk Café permit
 - ◆ Historic District (HPC) Approval
- ◇ **Marketing**
 - ◆ Plan a ribbon cutting/grand opening event
 - ◆ Develop an advertising budget and venues for advertising
 - ◆ Explore other marketing opportunities, such as social media
- ◇ **Hiring**
 - ◆ Consider if and when you will need to bring on additional staff, and plan carefully for growth.



Roadmap for New Businesses

The City of Annapolis' Small/Minority Business Office within the Economic Development Division (EDD) is available to assist businesses of all sizes. Contact EDD at 410-263-7961 or www.annapolis.gov/smallbiz. For those brand-new start-ups, let's begin with the basics of launching your company:

Business Plan

Developing a business plan is a “must-do” for every business. A business plan serves as a roadmap for decision-making and helps the business owner remain focused on the core mission and goals of the company. It's also a living, breathing document – something that should be reviewed often, updated as the business environment changes and that evolves as the business grows. It's not just a requirement for bank financing – even if you don't need a loan, every business needs a plan.

Resources for Business Plan Development

- ◆ Annapolis County Public Library Business Resource Center – www.aacpl.net 410-222-7971 - The Library's Business Resource Center provides detailed business information, resources and referrals to make informed decisions. Resources include online databases, industry association information, books and magazines with business start-up information, and more.
- ◆ SBDC Corridor Region -
 - Traditional Bank Financing
 - Non-Traditional Financing
 - Small Business Administration (SBA) Loans
 - Anne Arundel County Loan Programs
- ◆ SCORE Southern Maryland Chapter – www.score390.org (410)266-9553 - A consortium of experienced business executives, providing advice and counseling to small businesses.



First things first

Choosing a legal business structure

There are several different options for business format, such as sole proprietor, limited liability corporation (LLC), S-Corporation, and more. Discuss the options with both a lawyer and an accountant before deciding on your business structure, as different structures come with different legal liabilities and tax implications.

Resources for Choosing a Business Format

- ◆ Anne Arundel County Public Library Business Resource Center
- ◆ Small Business Development Center
- ◆ SCORE Annapolis Chapter

Financing

Start-up funds can come from a variety of sources. Whether investing personal capital or taking on loans, be sure to plan carefully, ensuring that the business venture is adequately capitalized.

Resources for Financing

- ◆ Personal, Family, Friends
- ◆ Investors
- ◆ Traditional Bank Financing
- ◆ Non-Traditional Financing
- ◆ Small Business Administration (SBA) Loans
- ◆ Anne Arundel County Loan Programs
- ◆ Microloans



Finding a Location

For most businesses, there is much wisdom in the old adage “Location, Location, Location.” Whether working out of your home, or leasing commercial space, there are important considerations.

♦ Finding an Office/Store location

EDD provides site selection services to businesses in the Annapolis area through a comprehensive commercial real estate database. EDD can provide customized reports based on specific business needs and requirements. EDD also provides a list of area commercial brokers. Before signing a lease, do some preliminary research on the potential cost for any tenant fit-out work. Also, always double check the zoning of the property to ensure your type of business is permitted under the City’s zoning regulations.

♦ Home-based businesses

The City of Annapolis regulates the operation of home-based businesses. Details on these regulations can be found online at www.annapolis.gov under the Department of Neighborhood & Environmental Program or Annapolis Code 21.64.330 - “Home Occupations” or by calling the Department at 410-263-7946.

City Permits

While there is no local business license, there are other permits that may be necessary. Every business opening at a new location is required to submit a Use and Occupancy Permit Application to the City’s Department of Neighborhood and Environmental Planning (DNEP). Based on things such as tenant fit-out, plumbing or electrical work, there may be additional permits required. EDD is available to assist businesses navigate the City’s regulatory process and permits. Permits are discussed in more detail on page 6, or online at www.annapolis.gov.

Hiring

Finding and retaining employees is an integral part of the success of any business. Workforce considerations should include area demographics, local wage trends, and availability of relevant training. It’s important to identify workforce requirements and develop job descriptions that will allow the organization to achieve short and long term goals. Analyze the labor market for trends that impact the ability to meet workforce requirements. There are a number of local resources to help with workforce development needs.

♦ Anne Arundel County Workforce Development Corporation-

Assistance with recruiting, customized training for businesses and training arrangements. www.aawdc.org or 410-987-3890

♦ A number of local staffing agencies are able to assist with recruiting and alternative staffing arrangements.

♦ Local Colleges – including St. Johns College, the Naval Academy, and Anne Arundel Community College.



Financing *information*

The City of Annapolis' location in Anne Arundel County affords entrepreneurs and business owners access to a variety of funding options available through the Anne Arundel Economic Development Corporation. For additional information about these loan programs, please contact AAEDC at (410) 222-7410, e-mail at sprimosch@aaedc.org

Loans

Arundel Community Reinvestment (ACR) Fund: The ACR Fund is designed to spur economic activity, investment and improvement in Anne Arundel County. Eligible areas include the City of Annapolis' Commercial Revitalization District. The ACR offers loans up to \$50,000 to be repaid over 3 to 7 years at zero percent interest.

The VOLT Fund Loan Program: Businesses in Maryland may qualify for a loan of between \$25,000 to \$500,000 for expenses such as business and commercial real estate acquisition and expansion, equipment and vehicle purchase, and working capital.

The Arundel Micro Loan Fund (AMF): Microloans range from \$5,000 to \$35,000 at a fixed rate of 6.50% with a one percent loan fee and a closing fee of \$250. There are no prepayment penalties and the loan term cannot exceed five years.

Façade Improvement Grant Program: This grant program assists businesses and property owners in Downtown Annapolis with exterior improvements to commercial buildings. Grants are available up 50% or \$10,000 for painting, signage, building lighting and other exterior improvements.

Neighborhood Business Works Loan Program: This loan program provides gap financing up to \$75,000 to new or expanding small businesses in Maryland. Loans are administered through the Maryland Department of Housing & Community Development, and projects must be located in a designated "Sustainable Community." For more information go to www.neighborhoodrevitalization.org/Programs or call 410-514-7237.

Tax Credits

Arts & Entertainment Property Tax Credit: Provides for a property tax credit for renovation and creation of arts and entertainment space within the Annapolis Arts & Entertainment District. For more information www.annapolisarts.org or call 410-222-7646.



Rehabilitation Tax Credits for Historic Structures –
There are several different programs available at the federal, state and local levels to support the rehabilitation of historic structures. The federal and state programs are both income tax credits while the local programs are property tax credits. Call the Planning & Zoning department for more information 410-263-7961.

Federal Historic Preservation Tax Incentive –
Administered by the National Park Service, this program provides a federal income tax credit, based on the qualified rehabilitation costs of a certified historic structure. More information on the federal program is available through the Maryland Historical Trust by calling 410-514-7620 or visit www.nps.gov.

Maryland Sustainable Communities Rehabilitation Tax Credit – The Maryland Sustainable Communities Rehabilitation Tax Credit program provides a state income tax credit and is available for commercial income-producing properties (including office, retail, rental housing, etc.). Visit the Maryland Historical Trust to view all requirements and print required forms, or call 410-514-7628.

Local Property Tax Credits – City property tax credits are available for the rehabilitation of buildings within the Annapolis Town Historic District. All exterior construction and renovation projects within the district require review and approval from the Historic Preservation Commission.

Maryland Department of Commerce
DBED provides a variety of tax credits, financing, loan guarantees and other programs. Information on all of these programs is available on their website at commerce.maryland.gov.

Job Creation Tax Credit Program – Maryland provides a business income tax credit to businesses that create new jobs. Within the City of Annapolis (a Priority Funding Area), the business must create 25 new jobs over a 2-year period.

Maryland Industrial Development Financing Authority (MIDFA) – Facilitates capital access by issuing private activity revenue bonds and can provide credit insurance in the form of a deficiency guaranty to reduce lender's risk.

Maryland Economic Development Assistance Authority and Fund (MEDAAF) – The MEDAAF fund includes two programs that provide direct assistance to businesses in the form of loans (one is up to \$5M, the other up to \$10M). The projects must provide significant economic impact and meet other qualifying criteria.

Anne Arundel County Workforce Services
In addition to providing job placement and employee recruitment services, AAWDC also administers two training grant programs. Information is available at www.aawdc.org.

On-The-Job Training – OJT grants are available to assist Annapolis employers with hiring and training new employees. Employers can apply for reimbursement funds of up to 50% of the new trainee's wages while the employee is in the OJT program.

Maryland Business Works – Provides funds (up to 50% of costs) for businesses to train incumbent workers in specific skills needed by the business or industry.



Annapolis *permits*

City of Annapolis Permits

The scope and complexity of a commercial project determines the regulatory process and permitting required – from new construction, fit-out of an existing building, or occupying a “move-in ready” space. Anytime a business occupies a building (or part of a building) a Certificate of Use Permit is required.

For businesses located in the Historic District of Downtown Annapolis, approval through the Historic Preservation Commission (HPC) is required for most exterior work, including signage. Many rehabilitation projects and signs can be approved administratively by a historic preservation planner. Visit the historic preservation website at www.annapolis.gov or call 410-263-7961 for more information.

Application fees for each permit, as well as costs such as capital facilities fees (on new plumbing fixtures) must be carefully considered. Take the time to research these costs and build them into your business plan upfront. Also, allow yourself enough time for the permit review – depending on the complexity of the permit, reviews can take one week or several weeks, so plan accordingly.

Common City Permits

Certificate of Use – All businesses must submit an application for a Certificate of Use to the City’s Department of Neighborhood and Environmental Programs (DNEP) when occupying a new location.

Electric, Mechanical or Plumbing Permit – If the only work needed is plumbing or electrical, the corresponding permits are required.

Building Permit – Required for tenant fit-out an existing space which requires construction such as removal/addition of walls, plumbing, electrical, fire protection or structural work. Completion of work and inspections results in a CO.

Sign Permit – The City regulates commercial signage, including the size of signs and the number permitted per lot. These regulations are in the City’s Code, Section 17.60.010 - Permit. A sign permit must be submitted for review and approval based on these regulations. (*NOTE: Within the Historic District, the Historic District Guidelines have additional signage regulations. Historic Preservation Commission approval is a separate process from the sign permit, and is may required BEFORE submitting the sign permit application to DNEP.*)

Sandwich Boards – Businesses are allowed one sandwich board sign, placed in front of their place of business. These signs must be removed at the end of each day. There are other regulations regarding size and placement, but no permits are required.



Regulations

Licensing

The type of business will determine the necessary licenses and permits required, but here are a few common ones:

- ◆ Federal Employer Identification Number (EIN) – Also known as a federal tax identification number, the EIN is used to identify a business entity. Visit www.irs.gov for more information.
- ◆ Register Business Name – A new business in Maryland must register their business name with the State Department of Assessment and Taxation (SDAT). A business owner can search for available business names and find information on registering at www.dat.state.md.us or call SDAT at 410-767-1340.
- ◆ Maryland Business License – Nearly every business requires a Maryland Business License. These are administered by the State of Maryland - the City of Annapolis does not have a separate business license.* Business licenses can be obtained at the Anne Arundel County Courthouse Clerk of the Circuit Court – 8 Church Cir, Annapolis, MD 21401, 410-222-1397. For additional information, contact the State License Bureau at 410-260-6240 or visit www.blis.state.md.us.
- ◆ State Sales & Use Tax ID # – Many businesses also require a Sales Tax Identification number, obtained through the State Comptroller's office. www.comp.state.md.us
- ◆ Anne Arundel County Health Department – Oversees all food service, both permanent and temporary, within the City of Annapolis and Anne Arundel County. If your business involves any food service, please contact the Anne Arundel County Health Department at 410-222-7095. 3 Harry S. Truman Pkwy, Annapolis, MD 21401 or visit www.aahealth.org
- ◆ Annapolis Liquor Board – Administers all licenses to sell alcohol in the City of Annapolis. The Liquor Board is located at City Hall, 160 Duke of Gloucester Street in downtown Annapolis. For more information on obtaining a liquor license visit www.annapolis.gov or call 410-263-7942.

** City regulations and permits may apply to other areas of your business.*



Special Approvals

Restaurant with Entertainment

Restaurants that plan to have live music and other entertainment must first obtain approval for entertainment from the Zoning Board of Appeals (ZBA). Call the City of Annapolis Planning Department for more information at 410-263-7961.

Sidewalk Cafes – Sidewalk cafes are allowed in city commercial districts, including Downtown Annapolis. There are regulations for both enclosed and open outdoor seating areas (Section 21.64.540 - Restaurants, standard). An enclosed seating area requires a permit. Contact the City of Annapolis Department of Neighborhood & Environmental Programs for more information at 410-263-7946 or www.annapolis.gov.

Outdoor service of alcohol also requires Annapolis Liquor Board approval 410-263-7942 or www.annapolis.gov.

New Construction – There are a number of steps involved in construction of a new building. Regulations on new development are guided primarily by the City's Code and the Annapolis Historic District Guidelines (in the historic district). Contact the City of Annapolis Planning Department to discuss the process and site-specific issues at 410-263-7941.

So What do I Need?

To discuss your project and the specific permits required, please call the City of Annapolis Department of Neighborhood and Environmental Programs at 410-263-7946. The following is a general guide to the permits that may be required:

Move-In Ready, No Construction:

- Certificate of Use Permit
- Sign Permit

Existing Buildings with Tenant Fit-Out:

- Building Permit - or -
- Plumbing/Electrical and fire protection
- Certificate of Use Permit
- Sign Permit

One Stop Shop

The City's Permit Counter provides SAME-DAY permitting for certain small projects, including tenant fit-out and sign permits. Walk in with all your documentation and completed application, and walk out with your permit!

(NOTE: All permits for exterior work within the historic district must be approved by the HPC BEFORE coming to the One-Stop Shop).

Contact Information – Building/Permits Department

145 Gorman Street, 3rd Floor

Annapolis, MD 21401

Phone 410-263-7946

FAX 410-263-9158

Hours of Operation: Monday through Friday 8:00am-4:00pm



More need to know *information*

Each business in the City of Annapolis is required to handle and maintain the refuse generated by their business in an effective and responsible manner. This means that from the time the refuse is generated to the time it is removed from your site, it is your responsibility. The City maintains a list of approved haulers on the Public Works Department website.

Sidewalk Maintenance/Snow Removal

In the City of Annapolis, sidewalk maintenance and removal of snow from the sidewalks is the responsibility of the property owner or tenant depending on the terms of the lease. Call 410-263-7949 with questions or for more information.

Commercial Recycling

Commercial recycling is available by the City of Annapolis. For more information contact the DPW at 410-263-7949.

Parking in Downtown Annapolis

For more detailed information or questions about parking-related issues, contact the City's Transportation Department at 410-263-7964.

Parking Meters — Parking meter hours are 10:00 a.m. to 7:30 p.m. six days a week. On Sundays it's 12:00 p.m. to 7:30 p.m. Meter rates are \$2.00 per hour for a maximum of two hours. Vehicles must be moved after two hours of parking. Re-feeding the meters is not permitted.

Parking Garages – There are four public parking garages in City owned and operated by the City of Annapolis. These include:

Park Place Garage · Knighton Garage

Gott's Court Garage · Hillman Garage

The Annapolis City parking garages are fully staffed and secure, open 24 hours a day, seven days a week. Reserved handicapped spaces are designated at ground-floor accessible entrances. Motorcycles, vans and limos are prohibited. Maximum vehicle height is 6'. Parking lots accommodate oversize vehicles.

Park and Shop Program – Businesses may purchase "Park and Shop" tickets at a discounted price to give to their customers to assist with the cost of parking in the public garages. The ABA promotes the Park & Shop program; Park Annapolis prints the validations and manages the program. All requests for validations should be sent to parkannapolis@townepark.com. Special Holiday Parking Hours and Rates – In recognition of the importance of holiday shopping to downtown merchants, the City of Annapolis strives to make holiday parking a little easier with special holiday parking rates and hours. Holidays include the day after Thanksgiving and every Saturday in December, as well as all federal holidays.



Community *events*

First Sundays Arts Festival

Every first Sunday of the month, May to November, 11am to 5pm is the place to be. Vendors, stores, regional artists showcase live music and street performers, food and more.

www.firstsundayarts.com

Annapolis Film Festival

The Annapolis Film Festival showcases over 70 films over 4 days during this annual festival. Held in March. www.annapolisfilmfestival.com

Art Walk

June – Paint Annapolis is a five-day juried plein air painting competition, that brings to Annapolis plein air painters from around the world.

www.mdfedart.com/portfolio/paint-annapolis

Annual May Basket Competition

To help celebrate May Day, residents and businesses in the Historic District and parts of Murray Hill, are asked to make May Baskets and display them outside their homes or businesses. Hosted by the Garden Club of Annapolis.

Whitmore Park Summer Concert Series

Free concerts in Whitmore Park every Sunday and Thursday night at 7 p.m. On Thursdays, the vibe is Jazz infused music; Sunday it's Gospel. For more information, contact Larry Griffin at larry@wecareandfriends.com.

Annapolis' July 4th Independence Day Celebration

Parade and fireworks on July 4th. The parade begins at 6:30 p.m. at Amos Garrett Boulevard. Following the parade, the United States Naval Academy Concert Band performs a public concert at Susan Campbell Park. The fireworks begin at approximately 9:15 p.m.

Tawes Garden Concert Series

The Tawes Garden Concert Series are held at noon Wednesdays in the garden at the Tawes State Office Building off Taylor Avenue in Annapolis in late spring and again in September. In case of inclement weather, concerts are canceled.

Maryland Hall Concert Series

Bring a lawn chair or blanket for Maryland Hall's Sachs Summer Concert series of great music. In case of rain, the concert is moved indoors or it will take place on an alternate date. Wine, beer and food is available for purchase. With the exception of the first concert, which starts at 6 p.m., the others begin at 6:30 p.m.

Chambers Park Concert Series

Held Fridays, June to September, at 7 p.m. in the Parole community at the corner of Dorsey Avenue and Kirby Lane. Bring lawn chairs and blankets. No alcohol allowed.

Holidays in Downtown Annapolis

Throughout the months of November and December there are a number of holiday celebrations and events, including the Grand Illumination, Parade of Lights, and Mayor's Open House.

New Year's Eve Celebration

Live entertainment and family friendly activities. Susan Campbell Park starting at 3pm. FIREWORKS at 7:30 p.m. and midnight.

There is always something to do in Annapolis! For a full calendar of events visit the Annapolis and Anne Arundel Visitors and Convention Board at www.VisitAnnapolis.org.

Local Business *resources*



City of Annapolis Contacts

City of Annapolis Division of Economic Development -
410-263-7961

Annapolis Police Department

- ♦ Emergency # - 911
- ♦ Non-emergency # - 410-268-9000

Department of Public Works - 410-263-7949

- ♦ To report street light/traffic light outages or pot holes - 410-263-7967
- ♦ Water & Sewer Billing Information - 410-263-7952
- ♦ Waste Collection/Disposal 410-263-7949
- ♦ Parking Department - 410-263-7964
- ♦ Code Enforcement - 410-263-7946
- ♦ Engineering - 410-263-7949

Department of Neighborhood & Environmental Programs - 410-263-7946

Department of Planning & Zoning - 410-263-7961

Other Local Contacts

Annapolis/Anne Arundel County Chamber of Commerce

410-266-3960/www.annapolischamber.com

Anne Arundel County Economic Development
410-222-7410/www.aaedc.org

Anne Arundel County Health Department
410-222-7095/www.aahealth.org

Annapolis Liquor Board

410-263-7942/www.annapolis.gov

Anne Arundel County Workforce Development Corporation

410-987-3890/www.aawdc.org

Maryland Department of Commerce

Toll Free 1-888-Choose-MD/commerce.maryland.gov

Small Business Development Center

410-222-4476/www.marylandsbdc.org

Advanced Technology/Cyber Security

Chesapeake Regional Tech Council (CRTC)
www.chesapeaketech.org

Chesapeake Innovation Center (CIC)
www.cic-tech.org

Tech Council of Maryland
www.techcouncilmd.com

TEDCO
www.marylandtedco.org

Maryland Industrial Partnerships Initiative
www.mips.umd.edu

Advance Technology Partnerships Initiative
www.ncifcrf.gov/atpi

Retail/Restaurant

Annapolis Partnership
www.mainstreetsannapolis.org

Maryland Restaurant Association
www.marylandrestaurants.com

National Retail Federation
www.nrf.com



Green/Sustainable Industries

Local Resources:

- Annapolis Commercial Recycling Program - Provides businesses with assistance in establishing or expanding waste management programs. www.annapolis.gov.

- Annapolis Environmental Stewardship Certification Program Awards best practice certificates to restaurants, lodging establishments, auto repair shops, schools, retail stores, and office buildings. www.annapolis.gov.

- GreenScape is a City and community partnership investment of beautification, clean-up, and planting in public spaces throughout the City of Annapolis. www.annapolis.gov

- Memorial Tree and Bench Program encourages the purchase of a young tree or park bench to be placed in a park or open space area within the City of Annapolis. www.annapolis.gov

- Annapolis Green

Annapolis Green connects the community by communicating an environmental message that is meaningful, positive and motivational, engaging residents, businesses, non-profits, government agencies, and visitors. See more at: www.annapolisgreen.com

Maryland Resources:

Information on the programs below can be found at: <http://energy.maryland.gov/Pages/all-incentives.aspx>

- Solar Grants - Funding of up to \$10,000 to install qualified solar energy systems in homes and commercial buildings.

- Commercial Clean Energy Grant Program- Grants for solar photovoltaic systems, solar water heating, geothermal heating & cooling, and wind turbine systems.

- Commercial and Industrial Grant Program- provide grants to encourage entities to achieve at least 20% electricity savings in commercial and industrial buildings.

- BioHeat Tax Credit Heat Program – Up to \$500 for corporations that purchase Bio-Heating Oil for the purpose of space and water heating.

- Parking Lot Solar PV Canopy with EV Charger Grant Program Maryland offers grants to selected grantees to install Parking Lot Solar PV Canopies with EV Chargers over parking lots.

- Windswept Grant Program - Helps offset a portion of the cost of small scale wind energy projects.